GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1015
ANSWERED ON:27.07.2001
STRENGTHENING DEBT RECOVERY TRIBUNALS .
NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently taken a decision to strengthen the Debt Recovery Tribunals to recover NPAs of banks;

(b) if so, the details thereof; (

(c) whether the process of recovery of NPAs have been found to be very slow and ineffective; and

(d) if so, the time bound programme chalked out by the Government to recover NPAs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b): To implement the provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (DRT Act) initially 10 Debts Recovery Tribunals (DRTs) and one Debts Recovery Appellate Tribunal (DRAT)were set up in the country. At present 22 DRTs and 5 DRATs are functioning at various places in the country. To make the DRTs more effective, Government have taken various steps such as amending the DRT Act, raising the number of posts per DRT, increasing the area of office accommodation, delegating additional administrative and financial powers to Presiding Officers and making the DRTs and their officers and staff eligible for office/residential accommodation from general pool maintained by the Central Government at various places.

(c) & (d): The gross NPAs of public sector banks as percentage of their Gross advances has progressively been brought downfrom 15.9% in 1998-99 to 14% in 1999-2000 and to 12.8% in 2000-2001. Banks and financial institutions have, interalia, been advised to take several steps for recovery of bank dues such as evolving and implementation of recovery policy by banks, filing of suits with civil courts and DRTs, compromise settlement through Settlement Advisory Committee and monitoring and follow up of NPAs at various levels in the banks.